

ECONOMIC IMPACT STATEMENT

Regulation Number: 129-5-118b

Regulation Name: Cost reimbursement principles for federally qualified health center services and other ambulatory services.

Summary of Proposed Changes: The proposed changes further define and clarify reimbursement for the Kansas medical assistance program services provided by Federally Qualified Health Centers (FQHCs). Grants were being deducted from FQHCs revenues and we are not required to do this. Revenues are part of the cost report. The cost report is not ours so we cannot define how to fill it out. There are a set of national instructions for filling out cost reports that FQHCs are to follow. If something on the cost report is filled out incorrectly we refer them to the instructions not the regulations. These proposed changes will further align Kansas Medicaid with Medicare.

Federal Mandate: This regulation change is not federally mandated.

Economic Impact: It is expected that this change will increase Medicaid expenditures by \$120,000 SGF and \$180,000 FFP, annually.

Bearer of Cost: The cost will be borne by Medicaid.

Affected Parties: Federally qualified health center providers enrolled as Medicaid providers and Division of Health Policy and Finance (DHPF).

Other Methods: There were no other appropriate methods for the desired outcome.